Enclosure.

The Madras Mail (*October 21st, 1931*) *says*:—"Mysore has tackled its budget deficit in a manner which tax-payers in British India will envy. Recognising that 'there is very little scope for additional taxation' the Mysore Government have sought to right their financial position by effecting further economies. . . . . Our readers are aware that Mysore has long pressed for the abolition of the tribute which it is at present required to pay to the Government of India. Sir Mirza Ismail has pressed Mysore's case in London and has considerably influenced delegates to the Round Table Conference by his reasoned opposition to anything in the nature of tributes from the States or contributions from the Provinces to the Federal Government. This, he argued, and rightly, should be self-supporting. Mysore, the most heavily burdened of all the tribute States, now pays Rs. 24½ lakhs annually to the Government of India, while her subjects are compelled to bear the burden of most of the indirect taxes imposed by the Government of India. 'Our case for the abolition of the subsidy is the strongest,' remarked the Dewan, 'and it is to be hoped that the prospect of its complete remission is near'."

The Hindu (*October 22nd, 1931*) *writes*:—"The Officiating Dewan complained against the subsidy levied by the Government of India as an anachronism which should forthwith be abolished. This point as well as the other that the amounts collected by the people of Mysore through indirect taxes like Customs are being appropriated by the Government of India for their own use, is now being considered by the Round Table Conference. The Federal Finance Sub-Committee of the Round Table Conference has laid down certain broad propositions governing the relations between the States and British India. One of these propositions is that the system of tributes, hated as much by British India as by the States, should disappear. A slight complication has set in regarding the effect of its abolition on the States which have ceded territories in lieu of subsidies; but we dare say that the difficulties could be solved by earnest endeavour on all sides to discover a just solution."

The Swarajya (*October 22nd, 1931*) *says*:—"The Officiating Dewan makes a plea for the abolition of the State subsidy to the Indian Government and this, in our view, is an opening for improvement in finance which should legitimately be secured to the Mysore Government as a matter of right. The subsidy is an anachronism at a time when there is so much talk of free federation and its excessive heaviness (it forms no less than one-third of the total receipts of the Government of India from tributes) is a monstrous injustice to Mysore. The necessities and embarrassments of the Central Government constitute no moral right for continuing a patent wrong and it

is to be hoped that the paramount authorities in India will realise the urgent need for the abolition of the subsidy and enable the Mysore State to avail itself of the full measure of service and of development open to it, having regard to its resources and potentiality."

The Justice (*October 22nd, 1931*) *says*:—That particular attention has been drawn by the Officiating Dewan in his address to the Assembly, to the crushing burden of the subsidy which Mysore has to pay to the Government of India, and refers to the present effort of the Mysore Government at retrenchment and economy.

The Mysore Star (*October 19, 1931*).—Refers to the strenuous efforts made to secure the immediate remission of the subsidy and adds, "if only it can be wiped out, the State will be able to tide over the present financial crisis with very much less of difficulty."

The Mysore Observer.—"There is hardly room for so much fervid pleading for such a palpably just and equitable claim as the abolition of the oppressive impost of nearly a quarter crore of rupees on a population of six millions, simply because it was agreed to in the past."

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(13)

INDIA OFFICE, WHITEHALL
26th November 1931.

DEAR SIR MIRZA ISMAIL,

The Secretary of State wishes me to thank you for your letter of the 25th November, written on the eve of your departure, regarding the question of the Mysore subsidy. The Secretary of State will give your letter his early and carefull attention.

Yours very truly,
M. J. CLAUSON.

SIR MIRZA M. ISMAIL, KT., C.I.E., O.B.E.,